Fixing the prices of medicines

3748. SHRI BHUBANESWAR KALITA : Will the PRIME MINISTER be pleased to state :

(a) whether Government fixed prices of medicines based on reports of BICP;

(b) what is the authenticity of price data which is taken into account by BICP of drug intermediates imposed for arriving at a fair price of medicines ;

(c) whether Government are aware that the inflated imposed prices of drug intermediates and drugs lead to unintended profits by drugs companies ; and

(d) if so, what steps Government have taken to make officers accountable.

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) (a) The prices of bulk drugs are fixed by this Ministry on the basis of Cost-cum-technical studies conducted by BICP and their detailed examination in this Ministry. The BICP reports are inputs for the decision making process of price fixation and where considered necessary clarification on the cost-cum-technical study are sought from BICP before fixing the prices.

(b) to (d) The Drug intermediates used for manufacutre of bulk drugs are either indigenously produced or imported and in the case of former the latest purchase invoices are adopted after verification and in the case of latter the latest invoice prices duly supported by bill of entry bank payment advice, clearing charges etc. are adopted after verification by BICP. The BICP has no means to check whether an invoice contains any inflated imposed price of a drug intermediate. Nevertheless the figures are checked by BICP during finalisation of the Reports. In the case of formulations, bulk durgs prices based on notified price/purchase invoices are verified with reference to the certified s atement of Professional Accountants along with supporting data furnished with the application. For imported bulk drugs, the latest annual DGHS weighted average import price data suitably adjusted for fluctuation inexchange rate is adopted. These procedures reflects the care and caution required in the matter of recommending prices.

Date of import of bulk drugs and its intermediates

3749. SHRIMATI BASANTI SARMA :
SHRI BHUBANESWAR KALITA :

Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that data relating to import of Bulk Drugs and its intermediates are collected from the various ports and used and furnished by the Drugs Controller of India at the meetings of Drug Price Review Committees in the BICP;

(b) if so, whether it is also fact that prices of several formulations have been worked out based on the highest import price instead of the average price at the instance of the representative of Government leading to over-invoicing and flight of foreign exchange from the country;

(c) whether the representative of Government have submitted a report of such decision;

(d) if so, the details thereof during the last two years;

(e) if not, the reasons therefor; and

(f) the steps taken to make available import data to public?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) Yes, Sir.

(b) to (f) No, Sir. The decision to adopt the import price of a bulk drug rests with the DPRC Sub-Committee which takes into account various factors including the quality/specifications of the imported material which is important from the angle of maintaining the quality of medicines.

Clearance of New Drugs

3750. SHRIMATI BASANTI SARMA:
SHRI BHUBANESWAR KALITA:

Will the PRIME MINISTER be pleasd to state:

(a) whether it is a fact that clearance of new drugs have led to all around corruption in the office of Drug Controller of India;

(b) whether it is also a fact that clinical trial reports submitted by com-

panies are openly available to other companies at a price and this is leading to a number of irregularities; and

(c) the steps Government have taken to identify the persons involved in the racket?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (c) This relates to the Ministry of Health. The required information to the extent available will be collected from the Ministry of Health and F.W. and laid on the Table of the House.

Guidelines for environment friendly chemicals

3751. SHRI B.K. HARIPRASAD : Will the PRIME MINISTER be pleased to state :

(a) whether Government have adopted guidelines for the environment friendly chemicals formulated by the Ministry of environment; if so, full details of this list including action taken thereon;

(b) whether H-Acid, a dye intermediate made by over 40 units in India is one of the items on this list;

(c) what are the names of manufacturers of H-Acid, statewise, with installed capacity and actual production;

(d) whether it is correct that the two H-Acid units which were closed by Rajasthan Government have since shifted to Gujarat in Baroda (Economic Times dated 18th October, 1991) and if so, reasons for permitting this shift which caused havoc in Bichhri in Rajasthan;

(e) whether all the H-Acid units in the country are being restored and if so, results of findings of havoc caused by these as in Rajasthan, if any; and

(f) what is the total value of production, use in the country and exports indicating whether manufacture of this chemical has been phased out or banned in some countries ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) 16 categories of consumer items only (not chemicals) have been identified as environment friendly products.

(Quantity in million nos.)

	1990	1991
B&W . . .	3*b*	3.1
CTV . . .	1.2	.88

(b) Does not arise.

(c) Most of the units are concentrated in Gujarat. Total installed capacity of H. Acid is 25000 TPA and the production is between 15000 and 18000 TPA. A list of the Units with their locations in enclosed in the annexed statement.

(d) Units in Rajasthan were reported to have been closed since April 1989 and it is reported that the units are being dismantled and shifted to other locations outside the State. None of the units have, however, approached Govt. of India for permission for establishing a unit in Gujarat so far.

(e) Government has not given any permission for restoration of H. Acid Units. However, all the units are required to meet the standards prescribed under the Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981. Only groundwater in the area has been contaminated.

(f) Government of India is not monitoring the production and export of H. Acid. Its use is not banned in other countries.

Statement

Name of Unit	Location
1. M/s. Arun Dyestuff Industries	Ahmedabad
2. M/s. Maha Chem. Industries	Ahmedabad